ASSOCIATION OF MUNICIPALITIES OF ONTARIO

SUBMISSION TO THE PREMIER AND MEMBERS OF THE EXECUTIVE COUNCIL OF ONTARIO

Wednesday, March 19, 1986
Hamilton, Ontario

Left to Right: Honourable Bernard Grandmaitre, Minister of Municipal Affairs; Honourable David Peterson, Premier and President of the Executive Council of Ontario; Honourable Robert Nixon, Treasurer of Ontario and Minister of Revenue.

Left to Right: John Gerretsen, Mayor, City of Kingston and 1st Vice-President, AMO; Honourable David Peterson, Premier and President of the Executive Council of Ontario; Claudette Millar, Mayor, City of Cambridge and President, AMO; David Johnston, Chief Administrative Officer, Town of Newcastle and Administrative Vice-President, AMO.

Left to Right: *AMO Executive Committee* – John Curran, Chief Administrative Officer, County of Essex, Vice-President; Doris Brick, Councillor, County of Peterborough, Vice-President; John Gerretsen, Mayor, City of Kingston, 1st Vice-President; Claudette Millar, Mayor, City of Cambridge, President; David Johnston, Chief Administrative Officer, Town of Newcastle, Administrative Vice-President; Helen Cooper, Alderman, City of Kingston, Chairman, Large Urban Section; Michael Power, Mayor, Town of Geraldton, Vice-President; William Rice, Chief Commissioner, City of Sudbury, Vice-President; Ron Eddy, Reeve, Township of South Dumfries, Immediate Past President.

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INTRODUCTION

Background

The Association of Municipalities of Ontario is very pleased to meet with the Executive Council of the Province of Ontario to provide insight on matters of significant relevance to municipal government. This is the first opportunity that AMO has had, as a new municipal association, to present a brief to the Honourable Premier, David Peterson, and his Cabinet. We look forward to working with the government to achieve mutually beneficial solutions to long-standing municipal issues.

It should be noted that AMO is in fact a "new" municipal association. In 1982, the three municipal organizations - the former Rural Ontario Municipal Association (ROMA), the former Association of Counties and Regions of Ontario (ACRO) and the former Association of Municipalities of Ontario (AMO) - united to present one municipal voice to the government.

The Association of Municipalities of Ontario now has approximately 630 municipal members. The Association is the collective voice of Ontario's municipalities, organized to accomplish, through co-operation and co-ordination, what municipalities are unable to do individually.

The Association's organizational structure is highly representative of the interests of its membership.

The AMO Board of Directors, as the governing body of the Association between annual conferences, comprises seventy-seven (77) municipal elected and appointed officials from all parts of Ontario. The Board of Directors is in practice the principal policy and legislative mechanism of the Association between annual conferences.

Within the structure are five Sections, each with an Executive Committee, four with annual meetings under the auspices of the Association. These Sectons are:

- the County and Regional Section;
- the Large Urban Section;
- the Northern Ontario Section (FONOM/NOMA);
- the Rural Section (ROMA); and
- the Small Urban Section (OSUM).

The Association's constitution provides for affiliation of professional municipal associations. Presently, the following organizations hold affiliate status:

- Association of Municipal Clerks and Treasurers of Ontario;
- Association of Municipal Tax Collectors of Ontario;
- Municipal Engineers' Association;
- Ontario Municipal Administrators' Association;
- Ontario Municipal Personnel Association;
- Ontario Municipal Social Services Association; and
- Society of Directors of Municipal Recreation of Ontario.

This background on the organizational structure of AMO is highlighted to emphasize to the government, the Association's basis of support. Matters undertaken by AMO for comprehensive study and subsequent presentation to other levels of government are developed with input from all municipal sectors. AMO adopted resolutions and reports are the opinion of the municipal level of government.

Provincial-Municipal Consultation

The Association's access to the government, both the members of Provincial Cabinet and the civil service, has been enhanced by the commitment of the present provincial leaders to "open government".

The Association congratulates the Premier, the Honourable David Peterson, for his comments in the July, 1985, Throne Speech, and his subsequent commitment to consultation:

> "In the interests of making minority government work, we are committed to a program of public policy reforms which will improve the quality of life for everyone in this province. We are also committed to legislative reforms designed to improve public access to and information about the legislative process in Ontario."

The Honourable Robert Nixon, Treasurer of Ontario, continued this theme in the presentation in October of the 1985-86 Provincial Budget Statement:

> "We have a new opportunity to strengthen the partnership with our hospitals, colleges, universities and local government. ... We equally value our partnership with

> the other provinces and the federal government. ... We all benefit when we co-operate to achieve common objectives."

The Honourable Bernard Grandmaitre, Minister of Municipal Affairs, acts as an access point for AMO liaison with the Government of Ontario, and is a leading intermediary in facilitating the exchange of provincial/association dialogue. Approved AMO policy reports are directed to the Minister of Municipal Affairs as well as to the appropriate Ministers.

The Association and the Minister of Municipal Affairs participate in regularly scheduled meetings, now on a bi-monthly basis. As well, it must be formally pointed out that AMO has been experiencing a considerable increase in activity in meetings with individual members of Cabinet for discussion of municipal issues. Between August and December 1985, AMO has met with (some more than once):

The Honourable James Bradley, Minister of the Environment;
The Honourable Alvin Curling, Minister of Housing;
The Honourable Ed Fulton, Minister of Transportation and Communications;
The Honourable Bernard Grandmaitre, Minister of Municipal Affairs.
The Honourable Monte Kwinter, Minister of Consumer and Commercial Relations;
The Honourable Robert Nixon, Treasurer of Ontario;
The Honourable John Sweeney, Minister of Community and Social Services;
The Honourable Ronald Van Horne, Minister without Portfolio for Senior Citizens; and
The Honourable William Wrye, Minister of Labour.

AMO appreciates the government's communicative approach.

MAJOR PROBLEMS

At this point, AMO would like to bring to the attention of the Premier and Cabinet specific municipal concerns.

I COMPULSORY AND BINDING ARBITRATION

Compulsory and binding arbitration has been a long-standing issue for AMO. The Association's position is based on existing collective bargaining legislation.

AMO's proposals are premised upon the heavy regulation of collective bargaining in Ontario using compulsory and binding arbitration as it relates to both rights and interest disputes. Many feel that there is far too much intervention in the collective bargaining process. There is a lack of criteria dictating which specific services must access arbitration for the resolution of disputes.

The methods of binding arbitration for police, firefighters and hospital workers vary considerably. Not only are there differing systems of arbitration, but because of the varying ministerial responsibility for the process, there are a variety of systems of application for arbitration, the appointment of arbitrators, the payment of fees and, to some degree, the authority under which the arbitrator operates.

Recommendations

1. **That compulsory conciliation, mediation, or other non-binding intervention be employed before continuing to binding arbitration.**

2. **That there be a recognition that the public service is an entity, that collective bargaining is also an entity, and that if binding arbitration is to be invoked, there should be a single system administered by a single agency and consistent as to procedures, formation, qualifications of the arbitrator, payment of costs and so forth for those services now subject to the process.**

The different elements of the so-called essential public services are not so disparate that they require differing techniques of binding

arbitration as those provided in the Police Act, the Fire Departments Act, and the Hospital Labour Disputes Arbitration Act, and where applicable the Labour Relations Act. AMO has supported the idea that the administration of arbitration should be removed from the individual ministries and put under the direction of a Labour Arbitration Commission, similar but unrelated to the Ontario Labour Relations Board. The Commission would be charged with training and accrediting a core of full-time arbitrators representing a wide range of backgrounds and experiences, and with administering the total system of compulsory and binding arbitration. Implementation of these changes would go far to rationalize the system, and to alleviate confusion.

Recommendations

3. **That arbitration proceedings be guided by a set of criteria established by statute and designed to assure the promotion of the public interest and to avoid the frustration of public policy. These criteria should be similar to those set forth in the proposed draft amendments to the Fire Departments Act currently under review by the Ministry of the Solicitor General. Specific reference to public interest, public policy and local economic conditions would then adequately be addressed.**

4. **That there be a system for accrediting and providing training for arbitrators (either single or chairmen) and that there be a small core of full-time arbitrators with tenure.**

Compulsory and binding arbitration is counterproductive if it fails to serve the public interest and frustrates public policy. It is surprising that criteria do not exist in the legislation affecting arbitrations coming under municipal interest, while the provincial interest is deemed to need protection. The Crown Employees Collective Bargaining Act provides general criteria. The Association's position has been that the arbitration proceedings be guided by a set of criteria established by statute and designed to ensure the promotion of public interest.

Another glaring weakness of the binding arbitration process is the lack of direction given to arbitrators. Lacking a policy on economic limitations, arbitrators are given the task of solving the most intricate of problems involving:

1) subtleties of employer-employee relations, 2) the responsibility of meeting political obligations in the allocation of funds, and 3) the analysis of complicated economic data.

Recommendations

5. **That a system of automatic review of awards be established so that prior to issuing of the award the arbitrator could reconsider the implications of the award on the public interest and public policy.**

6. **That there be recognition by the Provincial Government of the linkage between the arbitration process and the funding of the public service.**

Perhaps the most serious defect of all is the absence in any permanent legislation of a recognition of the need for a more practical linking of awards and the ability to meet the cost. Under the Public Sector Prices and Compensation Review Act, 1983, arbitrators were compelled to take into account the employer's "ability to pay" when rendering an award. AMO was pleased with the inclusion of this concept in law and viewed it as demonstrating a need for the same type of criteria in permanent legislation.

Finally, any system of binding arbitration should assure that serious bargaining has taken place before a settlement is forced upon the parties. The Association's position is that compulsory conciliation, mediation, or other non-binding forms of intervention be employed before proceeding to binding arbitration.

Not all Canadian jurisdictions have put as heavy an emphasis on compulsory and binding arbitration in the so-called essential services as has Ontario. Several provinces allow strikes even in the most essential services. While the rationalization of the existing system or creation of a new system may be an improvement, it must be stressed that there is no substitute for sound industrial relations and collective bargaining based on trust, integrity and common sense.

II INFRASTRUCTURE FUNDING

A primary goal of AMO is to promote with the federal and provincial governments, an increased financial commitment for municipal infrastructure rehabilitation, for roads, bridges, and sewer and water supply systems. AMO stresses that decision-makers must recognize that the economic health of the community depends upon the condition of its infrastructure. The health and welfare of citizens and the national economy requires well-functioning municipal infrastructures.

Members of Cabinet are undoubtedly well aware of the more recent studies of various organizations, including the Federation of Canadian Municipalities (FCM), the Ontario Good Roads Association (OGRA) and The Road Information Program of Canada (TRIP Canada) and AMO. The Association has urged the federal and provincial governments to act on their principal recommendations.

AMO's Recommendations regarding Roads Funding

AMO recommends:

7. **That the provincial government continue to seek additional federal funding for municipal infrastructure improvements and that it request the federal government to restore the Community Services Contribution Program or establish a similar program.**

8. **AMO supports the recommendation of the Ontario Good Roads Association which states the following: "... that the allotment for roads (increase) by 75 million subsidy dollars in each of the next five years to partially meet the requirements of the participating municipalities".**

It is clear that the costs of raising the most seriously deteriorated infrastructure works to acceptable levels, is high. While it must be acknowledged that a major responsibility for financing municipal infrastructure rests with local governments and local users, the funding required is much beyond the ability of most local governments to assume. As a result, financial assistance from the provincial and federal governments, especially for projects having provincial or regional benefits and implications, is necessary.

At the time of the federal government's decision to withdraw from participation in the Community Services Contribution Program, the Association, together with others, registered strong objection from across Canada. As has been noted, if cost-sharing similar to previous capital programs could be attained (50 percent federal, 25 percent provincial, 25 percent municipal), the municipal funding requirements over a ten-year recovery period would increase by about two percent of total municipal budgets. Without such funding, costs will increase about 25 percent for public works budgets, or add 6.75 percent to total municipal budget over ten years.

AMO has endorsed the brief prepared by the Ontario Good Roads Association in 1984. Recognition of the $300 million dollars per year shortfall in municipal road expenditures over the next five years requires that the provincial government increase allocations to municipalities through grants offered through the Ministry of Transportation and Communications.

AMO Recommendations regarding Sewer and Water Funding

9. **As per above, AMO strongly urges the re-introduction of a CSCP type program to address sewer and water service needs.**

AMO is aware of more recent initiatives of the federal and provincial governments in identifying problems associated with underfunded sewer and water grant programs. AMO has brought its concerns to the attention of both the provincial Treasurer and the Ministry of the Environment. All governments are well aware of the impact of improperly functioning sanitary or storm-sewer systems on water quality, lake contamination and the general health of citizens.

Although funding problems for rehabilitation of sewer and water systems have been identified by many studies, there has not been any visible action to date. AMO strongly urges a shared responsibility, federal and provincial, to adequately fund rehabilitation programs at the municipal level.

10. **AMO requests that the provincial government consider relieving municipalities of a minimum of 25 percent of the accumulated operating deficit for sewer and water services, the amount of the "write-off" dependent upon municipal fiscal capacity and OMB guidelines.**

The provincial government is commended for implementing in its 1985-1986 budget one of the Association's key recommendations. The 1985-1986 Ontario Budget provided a $175 million to rectify the outstanding debt for local sewer and water facilities. In contact with the Ministry, AMO has learned that most of these funds will have been expended by April, 1986. AMO urges a continued financial commitment in the up-coming Provincial Budget to address sewer and water needs.

In concluding our discussion on this topic, AMO stresses that municipalities in Ontario are facing a crisis in terms of reconstruction costs and adequate maintenance for all infrastructure. There have been a multitude of studies, illustrating the growing costs of upgrading roads, bridges, sewage and water systems, which need not be elaborated at this point.

However, AMO urges the provinical government to capitalize on the opportunity of using public works as a job creation strategy. Infusing money into reconstruction and rehabilitation will create employment.

III MUNICIPAL TRANSFER PAYMENTS

Information on Transfer Payments

The timing and details of municipal transfer payment announcements are of concern to AMO. The 1985 Provincial Budget Statement which indicated an increase in transfers to municipalities for 1986 of 4.2 percent and an increase of 4 percent for 1987 was received positively by the municipalities of Ontario. The Association has observed that in the last few years, the level of transfers to municipalities by the Government of Ontario has not kept pace with the rate of inflation, resulting in an increasing burden on the property tax base. The commitment of this budget to a level of transfer payment comparable with the rate of inflation, does improve municipal finance stability. The governments announcement in the fall of this year allowed some degree of pre-planning for January, 1986, municipal budget processes. In December, 1985, the Honourable Bernard Grandmaitre announced to AMO and the municipalities of the province the 1986 unconditional grant allocation. The Minister is to be commended for providing this information earlier than in previous years.

The degree of information provided, however, was greatly inadequate. Global figures are useful, but specifics with respect to the unconditional and certain conditional grants are necessary for municipal budgeting purposes.

Recommendation

11. **AMO urges the members of Cabinet to co-ordinate, through the Minister of Municipal Affairs, a more comprehensive grant announcement. Municipalities need more detailed financial information on, for example, Ministry of Transportation and Communications' roads grants, and Ministry of Community and Social Services' social programs grants.**

AMO also stresses that the Ontario government should consult with the municipal level of government prior to the development, modification and termination of programs which have a financial implication for municipalities. AMO is aware that the government is reviewing the Ontario budget consultation process (Ministry of Treasury and Economics Discussion Paper "Reforming the Budget Process") and specific comments on these proposals will be reserved for the Honourable Robert Nixon, Treasurer of Ontario, at a later date. AMO does

stress the need for consultation and timing of program announcements to maximize their effectiveness at the local level.

Flexibility in Local Government Finance

AMO stresses the need for flexibility in local government finance. AMO has a long-standing policy of support to deconditionalization of municipal grants. Transfer payments should be unconditional. Municipalities need to be able to respond to local conditions and establish local priorities.

Flexibility, in terms of cash flow, would be greatly enhanced if the provincial government implemented the concept of a composite transfer payment system, wherein all provincial transfers including all subsidies, resource equalization grants, general support grants, were pooled into single monthly payments and issued to each municipality.

AMO recently approached the Minister of Transportation and Communications, seeking an improvement to the existing MTC roads payments process, whereby the Minister would implement a system of subsidy payment on a monthly invoice basis. Many other Ministries have implemented this method of payment, and have assisted municipalities in regulating cash flow. This would be a logical first step in the direction of an overall composite transfer payment system.

Recommendation

12. **As a first step towards a composite transfer payment system, AMO urges the Minister of Transportation and Communications and the Treasurer of Ontario to develop a payment schedule of subsidies reflective of the cash flow of municipal roads departments.**

Unconditional Grants

Improvements to the existing unconditional grants system of the Ministry of Municipal Affairs would undoubtedly do much to improve the municipal financial environment. The Association points out that there have been several studies in the past few years, seeking improvements to the unconditional grants formula, but with few actual changes implemented.

AMO is interested in pursuing refinements to the existing unconditional grants system. Areas requiring further work are, for example:

the resource equalization grant, revenue guarantees, the general support grant, and the northern support grant. At this time, the Association emphasizes this need for review to the Premier, the Treasurer and the Minister of Municipal Affairs.

Related to the above, payments-in-lieu of taxes (Section 160 of the Municipal Act which provides for a special levy on universities, colleges, correctional institutions, hospitals, etc.) have not been updated since 1973, and therefore have certainly not kept pace with the rate of inflation.

In that this issue impacts many ministries, AMO would like to bring forward for consideration one of its many adopted resolutions on the subject:

Recommendation

13. **That the Province of Ontario be requested to amend Section 160 of the Municipal Act to provide for an increase in the special tax levy on universities, colleges, correctional institutions, hospitals, etc., which would make it more in keeping with the assessment relationship.**

In concluding its comments on local government finance, AMO would like to stress some of its concerns regarding the stability and protection of the local tax base.

There is a tendency to shift programs costs to the municipal government level. Examples are: the core programs of the Health Protection and Promotion Act, the declining allocation to roads funding, the decreased funding for sewer and water services, the expansion of social service programs to be delivered and cost-shared by municipalities, and of course, the declining provincial financial allocation to education. All of these have had a negative impact on local revenues. It must be stressed that the recommendations of this submission regarding the co-ordination of all grant announcements, improvements to methods of payments, refinements to the unconditional grants formula, and up-dating of the payments-in-lieu provisions, are small but significant steps to assist municipalities in meeting their financial obligations in providing local services.

OTHER ISSUES OF CONCERN

Municipal Management of Risk and Liability Insurance

The current predicament regarding local government management of risk is a subject embroiled in much controversy, confusion and disparate opinion. The responsibility for the current municipal insurance dilemma has been ascribed to international reinsurance markets; recent unwise practices of insurance companies; changing public attitudes regarding lawsuits; the generosity of the courts; insecurity on the part of reinsurance markets in terms of the public sector and future legislative initiatives; and finally, the lack of expertise within local government in the area of risk management.

Regardless of the cause, the present reality is that the management of risk has reached crisis proportions for local government, parapublic agencies, and community organizations. Municipal officials are faced with skyrocketing premiums, increases in deductibles, lower limits of liability and an increased frequency of exclusions for certain coverage. In summary, the municipal sector is paying a lot more for a lot less.

The expanding complexity of delivery of municipal services and the impact of budget constraints on the maintenance of municipal infrastructure has made municipal governments vulnerable to a growing number of risks. And while comprehensive data is unavailable at this time, there nevertheless exists a very real perception that municipal governments in Ontario will be the target of a growing number of public sector lawsuits in the future. If this trend becomes a reality and the future brings further significant increases in premiums or, and more important, even further reductions in coverage, then the only remaining alternative will be the denial or withdrawal of a great many municipal, parapublic and community services.

The severe nature of the impending crisis was explored in terms of a plenary session and resolutions debate at the AMO 1985 Annual Conference, last August. As a result of discussions and the adoption of resolutions at that time, the Association approached the Honourable Bernard Grandmaitre, Minister of Municipal Affairs, with a request to establish a provincial/municipal task force to undertake a comprehensive study of issue of the management of municipal risk in Ontario.

The Association wishes to commend the Government of Ontario on its two initiatives. The first, is the appointment by the Honourable Monte Kwinter, Minister of Consumer and Commercial Relations, of a task force to develop a report for the cost and capacity problems in the property and casualty insurance industry of Ontario. The Association has met on one occasion with the chairman of the Task Force on Insurance, Mr. David Slater, and looks forward to the continued dialogue and the exchange of information.

The second commendation is to the Honourable Bernard Grandmaitre, Minister of Municipal Affairs, on his appointment of a Minister's Advisory Committee on Municipal Liability Insurance. As you are aware, I, as President of the Association, have accepted the Minister's invitation to chair his advisory committee. Mr. Bruce Sinclair, Mayor of the City of Etobicoke and Vice-President of the Association, also accepted an invitation from the Minister to serve as the second member of the advisory committee.

The work of the Advisory Committee on Municipal Liability Insurance, as with that of the Task Force on Insurance, will be extensive and will require not only a great deal of public and private sector input, but also necessary resources for collecting and analysing municipal insurance data not presently available from one source. We are most pleased with the high level of commitment provided by the Minister of Municipal Affairs with respect to this important undertaking.

AMO wishes to record its support to the comment within the Honourable Monte Kwinter's statement to the Legislature of January 9, 1986, that "... We must avoid the temptation to seek a quick fix ..." It is with respect to thrust of the Minister's comment that the following observation is presented at this time.

The Association and its municipal members are most anxious that positive and direct results flow as expeditiously as possible from the province's initiatives. However, from a municipal perspective, we are concerned that an expectation has been created that a response to a highly complex problem requiring careful and considered thought, is indeed achievable within the existing proposed time-frame. Given the present circumstances, it may be impossible for the Minister's Advisory Committee on Municipal Liability Insurance to complete meaningful advice or input to the Task Force on Insurance, if its time-frame for its report to the Cabinet remains May 1, 1986.

Therefore, and without prejudicing the Task Force's requirement for a early response to the Cabinet, AMO requests that the completion of discussions between the Task Force on Insurance and the Advisory Committee on Municipal Liability be given additional consideration in terms of the development of a companion response for the municipal sector.

Social Assistance Funding

The Association of Municipalities of Ontario has kept a close watch on the Ministry of Community and Social Services' initiatives with respect to integrating the delivery of income maintenance programs. AMO supports any effort on the part of the government to make social service programs more cost-effective and effective for citizens. However, the Association, on behalf of its municipal membership, must clarify to this government that there are serious reservations regarding the integration of family benefits/general welfare assistance in terms of the overall and long-term financial implications of assuming this function at the municipal level.

The Association has stated its case on this issue many times to the Minister of Community and Social Services. In recognition of the need to "rationalize" cost-sharing under the General Welfare Assistance Act, the Ministry of Community and Social Services established, at AMO's urging, a joint study in April, 1985. The study was to be a two-part one: the examination of cost-sharing in the integrated pilot project municipalities and then a review of the cost-sharing arrangements of the total General Welfare Assistance Program. The study has not, to date, progressed to its second critical stage.

The Honourable John Sweeney recently advised AMO that he wished to defer this review pending a more comprehensive review of the provincial/municipal financial relationship of all social programs.

14. **The Association requests the views of Cabinet with respect to an all-encompassing study of the provincial/municipal cost-sharing for social programs. The Association also urges the Premier and Cabinet to address a more immediate problem, the current funding arrangements under the General Welfare Assistance Act.**

Intervenor Funding

It is, perhaps, timely that AMO highlights to members of Cabinet the municipal opinion on funding for intervenors.

AMO supports and encourages public participation within the regulatory process. In order to facilitate this participation, AMO has recommended that the provincial ministries responsible for the legislation under which hearings are held establish funds for cost awards or intervenor funding.

AMO's primary concern is that public participation enhance decision-making, rather than lead to unnecessary and costly delays. Accordingly, AMO feels that public interest intervention should be facilitated primarily through a system of cost awards, which functions as an incentive to ensure effective public participation. Intervenor funding involves the risk that the money will not be used wisely or properly and, for this reason, AMO has recommended that it be considered only in those instances where it can be fully demonstrated that it is required and essential for the purposes of the proceedings.

As a further means to ensure that interventions are worthwhile, and to ensure objectivity on the part of the funding body, AMO has recommended that all provincial hearing bodies, task forces, commissions, adopt funding criteria. Some basic criteria are suggested.

Recommendations

15. **That the provincial ministeries responsible for the legislation under which hearings are held should establish funds for cost awards or advance funding and that funding should only be awarded where the decision-making process has been or will be enhanced.**

    That public interest intervention should be facilitated primarily through a system of cost awards; and

    That advance funding be considered only in those instances where it can be fully demonstrated that it is required and essential for the purposes of the proceedings, and where advance funding is being considered, that the funding decision should not be made by the hearing body, but by the ministry responsible for the legislation.

That all provincial hearing boards, task forces, commissions, etc. adopt funding criteria; and

That in terms of cost awards, a criterion be included indicating that costs be awarded only where the participant has represented a substantial public interest and made a worthwhile contribution to the resolution of the issues at hand and where the intervention was carried out in a meaningful and efficient manner; and

That in terms of advance funding, a criterion be included indicating that advance funding be awarded only in those instances where it can be fully demonstrated that such funding is needed for the purposes of the intervention, that the intervening body has the ability and capacity to carry out its proposed intervention in a meaningful and efficient manner, and that the intervention will make a worthwhile contribution to the resolution of the issues at hand.

"Taxing Matters: An Assessment of the Practice of Property Taxation in Ontario"

AMO views "Taxing Matters" as part of the property tax reform continuum initiated in 1963 with the Smith Committee, and hopefully concluding some day with province-wide adoption of market value assessment. The Association supports many of the recommendations in this report and will be presenting its views to the Honourable Robert Nixon, Minister of Revenue, and the Honourable Bernard Grandmaitre, Minister of Municipal Affairs, shortly.

AMO congratulates the government for the initiative of the "Taxing Matters" study, and we welcome its publication as a sign that provincial property tax reform is on the way. Given the attention paid to property taxation since 1963, and its current high exposure at the municipal level, AMO urges the government to use the existing favourable climate to go beyond "Taxing Matters" and initiate substantial property taxation reform.

"Assured Housing for Ontario"

AMO thanks the government for the comprehensive strategy released in December, 1985, "Assured Housing for Ontario". The Honourable Alvin Curling, Minister of Housing has developed a healthy consultation process between his Ministry and the Association. The Association was consulted by the Minister during the development stages of Assured Housing for Ontario and has met with the Minister since the announcement of the policy to provide feedback.

Association representatives and Ministry staff have also met on two occasions in jointly developing the program guidelines for the Low-Rise Rental Rehabilitation Program and the guidelines for the recycling of funds under the Ontario Home Renewal Program. This is a mutually beneficial process which assists Ministry staff in acquiring municipal input to programs prior to general distribution, and allows AMO to participate in, rather than react to public policies.

The Minister has indicated his intention to continue to consult closely with AMO on the many component programs of Assured Housing for Ontario. AMO greatly appreciates the Minister's commitment to consultation and will continue to work closely with the Minister and his staff. The Association encourages all Ministers to adopt a similar attitude and take advantage of the Association of Municipalities of Ontario.

CONCLUSION

These are but some of the issues facing municipal elected and appointed officials of the province. The Association brings these matters to your attention to hopefully jointly arrive at solutions.

The Association of Municipalities of Ontario will continue to work to ensure that the needs of municipal government are clearly expressed to the provincial leaders. AMO, in representing some 630 municipalities of Ontario, should be recognized as the municipal government sector voice, a valuable link in the partnership between the provincial government and local government.

REPORT ON MEETING BETWEEN:
THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO AND
THE PREMIER AND EXECUTIVE COUNCIL OF ONTARIO

On March 19, 1986, the Association was very pleased to meet with the Premier and twenty (20) members of Cabinet. This provided the first opportunity in several years for the Association to present municipal issues to the Executive Council of the Province of Ontario.

The Association President, Claudette Millar, Mayor of Cambridge, thanked the Cabinet for the meeting. The Association was pleased with the commitment of present provincial leaders to "open government and consultation".

The following provides a brief summary of the comments of the government to the recommendations contained in the AMO submission.

Compulsory and Binding Arbitration

AMO presented the principal recommendations of the submission regarding the reform of the compulsory and binding arbitration process. AMO urged the government to seriously examine this issue.

In response, the Honourable William Wrye, Minister of Labour, stressed to the Association that there was within Cabinet, a high degree of awareness of problems associated with arbitration. However, it was the opinion of this government that negotiated collective agreements were preferable.

The Association stressed the need for a single system administered by a single agency, with consistent procedures, qualifications, and criteria for arbitrators. The Minister of Labour suggested that he was not sure that it was appropriate to have "one agency or one piece of legislation for abritration". However, the government was very interested in having the appropriate Ministers review each act with the intent of establishing some degree of consistency.

With respect to a panel of trained arbitrators, the Minister advised that an inter-ministerial committee on compulsory and binding arbitration was looking at this issue. Another major area of study by this inter-ministerial committee was the development of criteria for arbitrators; however, he did stress that there was some need for a degree

of independence as well. The government also had to be cognizant of the equality provisions under the Charter of Rights and its impact on the independence of arbitrators.

The Honourable Ken Keyes, Solicitor General, stated that the Ministry of the Solicitor General was contemplating including in its review of the Police Act and Fire Departments Act, criteria regarding costs and the ability to pay. In his concluding comments, the Solicitor General indicated that he hoped to introduce amendments to the Police Act and Fire Departments Act in the upcoming session of the Provincial Legislature.

Infrastructure Funding

The Association representatives stressed to the government that many municipalities were facing a crisis with respect to funding for rehabilitation of sewage and water systems and roads. Approxiately 28% of urban roads were presently inadequate and at the end of their normal life span. Although the past contributions of the federal and provincial governments were recognized, the Association stressed to the government that consideration be given to infrastructure funding for social, economic, and job creation reasons.

In response, the Honourable Ed Fulton, Minister of Transportation and Communications agreed that increased funding was required for roads and supported the concept of roads funding as a economic and job creation measure. It was his hope that upcoming budget years would reflect an increased commitment on the part of the government for roads and infrastructure.

The Honourable James Bradley, Minister of the Environment responded to the Association's concerns regarding funding for rehabilitation of sewage and water services. The Ministry had approached the federal government on several occasions to initiate dialogue regarding a tri-level funding program, similiar to the former Community Services Contribution Program. The Ministry recognized the problems created by aging sewer and water plants. The provincial government had partially addressed the problem in the previous years' budget by allocating $175 million for sewage and water write-offs to those municipalities experiencing debt problems. The Minister supported in principle the Association's requests for the continuation of funding for sewer and water debt write-off. The Minister also indicated that the government was concerned with sanitary and storm sewer separations. This was

an important issue in relation to the pollution of international waterways, an issue all governments should address in the immediate future.

Municipal Transfer Payments

The Association urged members of Cabinet to co-ordinate, through one Ministry a more comprehensive grant annoucement. The need for more detailed financial information, earlier in the year was highlighted (for example, Ministry of Transportation and Communications' roads grants and Ministry of Community and Social Services' program grants).

The Honourable Robert Nixon, Treasurer of Ontario, responded to the Association's comments. He hoped to foster an atmosphere of consultation with AMO and with municipalities. The concept of partnership would be reinforced if the government could improve the timing of announcing program grants to municipalities.

The Treasurer indicated that some initial steps had been made in this direction in the 1985-86 budget, with the announcement of global transfer payment figures for a two-year period. The idea of an earlier announcement for specific conditional grants was a good one. He would also pursue with the other ministries the concept of a co-ordinated grants announcement through one Ministry.

In response to the Association's request for an amendment to Section 160 of the Municipal Act regarding tax levies for public institutions, the Treasurer indicated that this was under consideration by the government. Approximately $14.6 million was presently allocated to post-secondary institutions and $2.9 million was allocated as payments in lieu to hospitals and jails.

In response to the AMO's request for a composite transfer payment system, and specifically, changes to the Ministry of Transportation and Communication's payment schedule for roads grants, the Treasurer indicated that he would follow up on this request in the immediate future. He agreed that changes in the payment schedule would assist municipalities greatly. He supported the idea of not only an earlier announcement of money to municipalities, but also improvements to cash flow.

Municipal Liability Insurance

The Honourable Monte Kwinter, Minister of Consumer and Commercial Relations, supported the Association's concerns that there was "no quick fix" for the current insurance problems in the country. There was recognition by the government that the insurance problem was a global problem and that the study recently established by the Minister of Municipal Affairs and the Minister of Consumer and Commercial Relations would likely, after the tabling of preliminary reports on May 1, 1986, be on-going for some time.

Social Assistance Funding

The Association presented to Cabinet concerns regarding the cost-sharing of social programs. In response, the Honourable John Sweeney, Minister of Community and Social Services, stated that he had a clear commitment on the part of this government that municipalities would not be disadvantaged by assuming an integrated income maintenance program. He felt municipalities would benefit in the long-run from an overall review of cost-sharing of the whole social service field. The Minister felt that an in-depth study of this issue could be accomplished within an 18-month time period, but he did not indicate any specific schedule for initiating the review.

Intervenor Funding

In the temporary absence of the Minister of the Environment, the Minister of Natural Resources, the Honourable Vincent Kerrio, spoke to the issue of the Association submission with respect to intervenor funding. He indicated that presently, the government was looking at mechanisms for opening up the consultation process prior to making any commitment to intervenor funding. Access to information could most likely lead to a more open process of public participation.

Other Issues

AMO briefly touched on its response to "Taxing Matters: An Assessment of the Practice of Property Taxation in Ontario", and indicated to the Minister of Revenue that AMO hoped to meet with him in the immediate future to thoroughly discuss AMO's recommendations and the government's report on assessment changes.

The Association also thanked the Minister of Housing for the consultation process on many of the initiatives of the "Assured Housing for Ontario" program.

The Honourable Alvin Curling responded by indicating that the consultation had paid off well for the Ministry, in that the Association had provided positive input into the Non-Profit Housing Program announcememt, the Ontario Home Renewal Program changes and the Low-Rise Rehabilitation Program. The Minister thanked the Association for its cooperation.

Conclusion

In her concluding remarks to the Premier and Cabinet, Claudette Millar, Mayor, City of Cambridge and President of AMO, thanked all for the opportunity to meet. The Premier, the Honourable David Peterson, indicated that the Cabinet had found the process beneficial, and hopefully, it would become a yearly event.

THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO
CABINET MEETING
March 19, 1986

Attendance:

Provincial Representatives

The Honourable David Peterson, Premier, Province of Ontario
The Honourable James Bradley, Minister of the Environment
The Honourable Eleanor Caplan, Minister of Government Services and Chairman Management Board
The Honourable Sean Conway, Minister of Education
The Honourable Alvin Curling, Minister of Housing
The Honourable John Eakins, Minister of Tourism and Recreation
The Honourable R. Fontaine, Minister of Northern Affairs and Mines
The Honourable Ed Fulton, Minister of Transportation and Communications
The Honourable Bernard Grandmaitre, Minister of Municipal Affairs
The Honourable Ken Keyes, Solicitor General
The Honourable Vincent Kerrio, Minister of Natural Resources
The Honourable Monte Kwinter, Minister of Consumer and Commercial Relations
The Honourable H. O'Neill, Minister of Industry, Trade and Technology
The Honourable Lily Munroe, Minister of Citizenship and Culture
The Honourable Robert Nixon, Treasurer of Ontario and Minister of Revenue
The Honourable J. Riddell, Minister of Agriculture and Food
The Honourable Tony Ruprecht, Minister without Portfolio - Citizenship and Culture
The Honourable Ian Scott, Attorney General
The Honourable G. Sobara, Minister of Colleges and Universities and Skills Development
The Honourable John Sweeney, Minister of Community and Social Services
The Honourable William Wrye, Minister of Labour

Municipal Representatives

Claudette Millar, Mayor, City of Cambridge, President, AMO
David Johnston, Chief Administrative Officer, Town of Newcastle, Administrative Vice President
John Gerretsen, Mayor, City of Kingston, 1st Vice President
Ron Eddy, Reeve, Township of South Dumfries and Immediate Past-President
Doris Brick, Councillor, County of Peterborough, Vice President
John Curran, Administrator-Treasurer, County of Essex, Vice President
Michael Power, Mayor, Town of Geraldton, Vice President
William Rice, Chief Commissioner, City of Sudbury, Vice President
John Clemens, Reeve, Village of Tweed and Chairman, Small Urban Section (OSUM)
Helen Cooper, Alderman, City of Kingston and Chairman, Large Urban Section
Douglas Meredith, Reeve, Township of Zone and Chairman, Rural Section (ROMA)
Carman Metcalfe, Reeve, County of Peterborough and Chairman, County and Regional Section
Alan Tonks, Mayor, City of York and Member, AMO Board of Directors, representing Metropolitan Toronto

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83-4 Response to the Discussion Paper on Ontario Carbonated Soft Drink Container Regulations

83-5 Reform and Revision of Conservation Authorities in Ontario

83-6 Response to The Children's Act

83-7 Response to the Provincial Government Discussion Paper Entitled Municipal Cost-Sharing and Unconditional Grants

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83-14 Response to the Housing Initiatives Contained in the 1983 Ontario Budget, as announced, August 4, 1983

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83-17 Response to the "Blueprint for Waste Management"

83-18 Response to the First Report on Family Violence: Wife Battering, A Report of the Standing Committee on Social Development

84-1 Response to the Proposed Provincial Mineral Aggregate Resource Planning Policy

Addendum to AMO Report 84-1

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84-3 Energy Contingency Planning for Municipal Operations

84-4 The Ontario Environmental Assessment Act and Its Cost Impact on Municipalities

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84-6 Response to the Report of the Flood Plain Review Committee on Flood Plain Management in Ontario

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84-8 Response to Bill 93: An Act Respecting Public Libraries

84-9 Response to Bill 77: An Act Respecting the Protection and Well Being of Children and Their Families

84-10 A Social Housing Overview: Current Programs and Principles ($4.00)

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85-2 AMO Response to "One-Stop Service: A joint provincial-municipal report on projects to test a proposed new method of delivering income maintenance benefits together with new supports for those seeking employment"

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85-4 Report of The AMO Joint Committee on Sewer and Water Services
85-5 Report on the Dog Licensing and Livestock and Poultry Protection Act
85-6 AMO Response to CMHC Proposed Changes to the Residential Rehabilitation Assistance Program
85-7 Intervenor Funding and Cost Awards by Provincial Hearing Bodies
86-1 Response to the Ministry of Housing's 1985 Non-Profit Housing Proposal
86-2 Compulsory & Binding Arbitration: A Proposal (1984 edition)
86-3 Response to the Report Taxing Matters: An Assessment of the Practice of Property Taxation in Ontario ($4.00)
86-4 Response to Ministry of Housing's Guidelines for the Redistribution of Funds under the Ontario Home Renewal Program
86-5 Report on Amendments to the Planning Act, 1983
86-6 AMO Submission to Provincial Premier and Executive Council of Ontario

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